

TO: Assistant Commonwealth's Attorney Wes Williams
FROM: Detective McVay / Detective Quinn
DATE: August 16, 2013
SUBJECT: Boone County Public Works – Investigative Summary

Complaint:

The sale of scrap metal for cash by Boone County Public Works (BCPW) employees used to provide turkeys to BCPW employees and fund holiday parties for employees. It was believed that the income was not being reported to the county finance department. BCPW employees were believed to have been selling scrap metal at three different facilities in Boone County.

Investigative Period:

April 8, 2013 – July 3, 2013

Summary:

In early April 2013, investigators received and began acting on the aforementioned complaint and began checking with local scrap metal facilities for any accounts/transactions in the name of 'Boone County Public Works'. It was determined that two (2) facilities became relevant in the investigation, Blue Grass Recycling and Cohen Brothers (Walton Recycling).

On Tuesday May 6, 2013 initial information/data was received from the scrap facilities. The data was analyzed and identified that BCPW had accounts at each facility. Cohen Brothers specifically mentioned one employee delivering quite a bit of material, Dennis Gosney. It became apparent that the scrap facilities, in quite a few transactions, either placed the transaction in the name of BCPW or created an account in the driver's name, although the driver was conducting business on behalf of the county.

- Investigators met with the County Administrator on May 10, 2013 and made him aware of the complaint and the cursory findings.
- Investigators and the County Administrator met with County Engineer Greg Sketch on May 13, 2013 and communicated the complaint and cursory findings. Mr. Sketch confirmed the existence of a 'slush fund', funded by the sale of scrap metal and used to provide turkeys to underprivileged children in Boone County Public Schools, provide pizzas for retirement parties, provide material/food for BCPW holiday parties, and other miscellaneous expenses. Mr. Sketch indicated that only a few hundred dollars was in the fund, which was maintained by David Becker.

Summary *(Continued)*

The 'slush fund' was funded by scrap metal sales, authorized by County Engineer Greg Sketch and maintained by Public Works Crew Leader David Becker. The 'slush fund' was the idea of David Becker, who after investigation, appears to have approached Greg Sketch in late 2006/2007 indicating that the county could sell scrap metal, independent of any contracts or agreements with other organizations, and use the proceeds provide turkeys to the families of under privileged children that attended Boone County Public Schools (primarily elementary schools). As time passed, the account was used for a variety of purposes.

- On May 23, 2013, investigators recovered \$5,539.54 (cash) from the locker of David Becker, located at BCPW. In addition, various receipts from the scrap metal sales and receipts for various expenses were recovered from the locker. Investigators, with the cooperation of Mr. Becker, recovered information useful identifying the purchase and distribution of Turkeys to Boone County Public Schools.
- The earliest transaction found was 3/11/2008 and the last one 2/13/2013. Approximately 110 transactions were recorded during this period and eight (8) of those transactions were confirmed reported to the county finance department and confirmed as reported income. The first reported transaction to the county finance department was 3/7/2012.
- 57/110 receipts for scrap metal sales were located in Dave Becker's locker.
- All public works employees were checked for any history of selling scrap metal at the two (2) facilities (Bluegrass and Cohen Bros. / Walton Recycling).
- Investigators interviewed 26/42 employees with relevant knowledge or selling history and identified what was sold at the direction of David Becker. The remaining 16 employees were not interviewed. They did not have a history of selling scrap metal, nor were any of their names identified in the investigation.
- Investigators checked each public works employee for a scrap metal selling history, interviewed each individual to determine which transactions were sold on behalf of Boone County Public Works and funds delivered to Dave Becker. Investigators were able to 'purge' 136 transactions totaling \$14,947.66 that were not delivered to Dave Becker. The 'purged' items were personal materials of employees.

Conclusion:

During the period examined 3/11/2008 -2/13/2013 and using the investigative data the BCPW sold scrap metal for a total of \$32,820.66. The BCPW reported \$8,669.50 of that income to the county finance department. The BCPW did not report \$24,151.16 of the income. Investigators were able to identify \$15,862.78 in expenses (\$12,898.64 for Turkeys). Investigators recovered \$5,539.64 from Dave Becker's locker. The remaining balance of \$2,748.84 is not accounted for¹.

The Boone County Finance Director ~via~ the Boone County Administrator reviewed all transactions and identified that a total of eight (8) transactions were reported to the county finance department (six from Bluegrass Recycling and two from Cohen Bros / Walton Recycling), totaling \$8,669.50. The remaining income or goods purchased with the funds were not reported to the county finance department.

Otherwise illustrated:

Total Scrap Metal Income:	\$ 32,820.66
Total Weight of Material Sold	195,939 (lbs)
Reported to County Finance	\$ 8,669.50
Unreported Income	\$ 24,151.16
Expenses	\$ 15,862.78
Recovered From Dave Becker's Locker	\$ 5,539.54
Unaccounted Balance	\$ 2,748.84

END

¹ See "Revision(s) and Source(s) Page"

Updated 8/23/2013

Revisions and Sources:

1. 08/22/2013: Cynthia 'Candy' Fuehner provided five (5) receipts/invoices that totaled \$680, which increased documented expenses from \$15,182.78 to \$15,862.78, a gain of \$680.00. The change also reduced the 'unaccounted balance' from \$3,428.84 to \$2,748.84, a reduction of \$680.00.